(d) if so, the reasons for calling off the merger with that Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) IFCI Ltd. is a company registered under the Companies Act, 1956. Government has no shareholding in IFCI Ltd. Since IFCI does not have long term sustainability on a stand alone basis due to its asset-liability mis-match position and its inability to comply with important regulatory requirements, the Board of Directors of IFCI Ltd. has held extensive deliberations on its future. The only viable future course appears to be, to consider merger with a healthy Institution/Bank. Various options are being examined, including that of IDBI. It may also be pointed out that, the Board of Directors of IFCI Ltd. and Punjab National Bank have deliberated on a merger. However no final decision has been taken.

Projections on FDI inflow

507. SHRIMATI JAYA BACHCHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made any projections on the inflow of FDI (foreign direct investment) into the country in the next few years;

(b) if so, the details thereof;

(c) whether Government are considering any proposal for restricting the flow of FDI; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The inflow of FDI depends on a numbers of factors both external and internal. Besides policy dispensation, global economic environment, corporate strategy of transnational corporations and domestic economic situation play a major role in determining the FDI inflows.

(c) and (d) Government has put in place a liberal and transparent FDI policy and most sectors have been placed under the automatic route. Review of FDI policy, including sectoral policies and caps, is an ongoing process.

Fluctuations in Sensex

508. SHRI SANJAY NIRUPAM: Will the Minister of FINANCE be pleased to state:

(a) whether the market is facing selling pressure by the recent fluctuation in sensex;

(b) if so, the details thereof; and

(c) whether it would have influence upon the inflation and interest rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The Securities and Exchange Board of India (SEBI) has informed that the Sensex has risen by 9.29% from 5704.1 on 1st November, 2004 to 6234.29 on 30th November, 2004. The returns in different global markets during the period 1st November, 2004 to 30th November, 2004 indicate that while returns in Indian markets are positive and high, volatility of Indian market is comparable to that of other markets. The Sensex was at its record high of 6328.43 on 2nd December,2004.

SEBI has informed that while price movements and fluctuations in markets are market phenomenon which depend upon several factors, such as, domestic and international events, economic fundamentals, market sentiments and corporate performance, the principal concern of SEBI is to ensure that markets are safe and fair and market integrity is protected. SEBI has taken several surveillance and risk management measures for protecting market safety and integrity.

(b) and (c) In view of (a) above, do not arise.

Audit of accounts of District Councils

†509. SHRIMATI KUM KUM RAI: Will the Minister of FINANCE be pleased to state:

(a) the details of the amount allocated to each District Council during the last three years, yearwise;

(b) whether an audit of the accounts of the District Councils has been conducted by the Comptroller and Auditor General during the last three years;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The required information is being collected and will be laid on the Table of the House.

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†Original notice of the question was received in Hindi.